THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (d) A Committee under the Chairmanship of Joint Secretary (PI) was constituted to examine the span of price control (including trade margin) in the light of National Common Minimum Programme and the observations of the supreme Court in SLP NO (C) 3668/2003 and to suggest measures for fulfilling the objective of National Common Minimum Programme to ensure the availability of life saving drugs at reasonable prices. This Committee has submitted its interim report to the Government. The Committee has recommended, *inter-alia,* intensive monitoring on the prices of all those drugs out of the selected basket (National List of Essential Medicines, 2003) which are not under price control, ceilings on trade margins of drugs, a system of price negotiations for the new patented drugs, special schemes for people below poverty line, introduction of Rajasthan model of Life Line Fluid Stores (hospital pharmacy stores run by Medicare Societies) for bulk purchase of drugs directly from manufacturer and selling them at reduced prices, compounding of offences under the Essential Commodities Act, establishment of DPCO cells in all States on the model of Karnataka, price negotiations at the time of launching of a new patented drug, efforts to increase public awareness, wide publicity to policies and decisions of the Government and NPPAetc. Follow up action has been initiated on the recommendations of the Committee made in its interim report.

National Pharmaceutical Pricing Authority

4674. SHRI T.T.V. DHINAKARAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the main functions of National Pharmaceutical Pricing Authority;

(b) the steps taken by this Authority to control prices of drugs;

(c) the details of cases of overcharging by drug manufacturing companies that came to light during the last three years;

(d) action taken against such companies for overcharging; and

(e) whether Government will make it mandatory for drug manufacturing companies to get prior approval for fixing Maximum Retail Price (MRP)?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (e) The National Pharmaceutical Pricing Authority (NPPA) was set up by the Government in August, 1997. It has been entrusted with the task, *inter-alia,* to fix prices and notify changes therein, if any, of bulk

drugs and formulations, from time to time, under the Drugs (Prices Control) Order, 1995 (DPCO, 95).

In accordance with the provisions of the Drugs (Prices Control) Order, 1995, (DPC01995) the NPPA fixes/revises prices of the drugs listed in its First Schedule and formulations based thereon. In case, there is any violation of the approved/notified price of a Scheduled formulation, action is taken under the provisions of the DPCO' 1995.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

Since the inception of the National Pharmaceutical Pricing Authority (NPPA) in August, 1997 and until January, 2005 a demand of Rs. 597 crores has been raised for overcharging in 263 cases. Of these, roughly 70% i.e.., in 184 cases, companies have fully or partly paid the amounts due. Approximately, Rs. 83 crores has been recovered so far.

As per DPCO 1995 provisions, no manufacturer or importer, except those exempted, shall market a Scheduled formulation without obtaining the prior approval of its price from the Government/NPPA.

Increasing commodities through FPSs

4675. SHRI MATILAL SARKAR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the names of the commodities supplied to APL and BPL families through Fair Price Shops;

(b) the prices of these commodities for both the APL and the BPL families; and

(c) whether Government propose to add more items to the programme for supplying to the BPL families through Fair Price Shops?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) The Central Government presently makes available to the States/UTs Wheat and Rice for distribution to all categories of beneficiaries through the Fair Price Shops (FPS) under the Targetted Public Distribution system. Levy sugar is also supplied under